

ASSEMBLY BILL

No. 1053

Introduced by Assembly Member Bogh

February 22, 2005

An act to add Section 17463.7 to the Education Code, relating to public schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 1053, as introduced, Bogh. Beaumont Unified School District: sale of land.

Existing law, the Leroy F. Greene School Facilities Act of 1998 (the Greene Act of 1998), requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

Existing law requires a school district to use the funds derived from the sale of surplus property for capital outlay or for costs of maintenance of school district property that the governing board of the school district determines will not recur within a 5-year period. Existing law authorizes a school district having an average daily attendance of less than 10,001 in any fiscal year to deposit any and all interest earned on those funds into the general fund of the district if the district meets certain conditions.

This bill would, notwithstanding any other law, and until January 1, 2008, authorize the Beaumont Unified School District to sell certain surplus real and personal property, as provided, to deposit the proceeds into the general fund of the school district or county office of education, and to use the proceeds from that transaction for any one-time general fund purpose. If the purchase of the property was

made using the proceeds of a general obligation bond act or revenue derived from developer fees, the bill would prohibit the amount deposited into the general fund of the school district or county office of education from exceeding the difference between the purchase price of the property and the proceeds of the transaction divided by the amount of the proceeds of the transaction, as defined.

This bill would declare that, due to the special circumstances applicable to the Beaumont Unified School District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The legislature finds and declares all of the
2 following:
3 (a) The Beaumont Unified School District possesses properties
4 surplus to its needs.
5 (b) The properties in question described in subdivision (a) are
6 unsuitable for school district use or school construction purposes.
7 (c) The properties were purchased entirely with local funds.
8 SEC. 2. Section 17463.7 is added to the Education Code, to
9 read:
10 17463.7. (a) Notwithstanding any other law, the Beaumont
11 Unified School District may sell surplus real property, together
12 with any personal property located thereon, purchased entirely
13 with local funds, to any nonprofit, for profit, or governmental
14 entity and may deposit the proceeds thereof into the general fund
15 of the school district or county office of education; and may use
16 the proceeds from the sale for any one-time general fund
17 purpose. If the purchase of the property was made using the
18 proceeds of a general obligation bond act or revenue derived
19 from developer fees, the amount of the proceeds of the
20 transaction that may be deposited into the general fund of the
21 school district or county office of education may not exceed the
22 percentage computed by the difference between the purchase
23 price of the property and the proceeds from the transaction,
24 divided by the amount of the proceeds of the transaction. For the

1 purposes of this section, proceeds of the transaction means either
2 of the following, as appropriate:

3 (1) The amount realized from the sale of property after
4 reasonable expenses related to the sale.

5 (2) For any transaction that does not result in a lump-sum
6 payment of the proceeds of the transaction, the proceeds of the
7 transaction shall be calculated as the net present value of the
8 future cashflow generated by the transaction.

9 (b) The State Allocation Board shall reduce an apportionment
10 of hardship assistance awarded to the Beaumont Unified School
11 District pursuant to Article 8 (commencing with Section
12 17075.10) by an amount equal to the amount of the sale of
13 surplus real property used for a one-time expenditure of the
14 school district pursuant to this section.

15 (c) If the Beaumont Unified School District exercises the
16 authority granted pursuant to this section, the district is ineligible
17 for hardship funding from the State School Deferred
18 Maintenance Fund under Section 17587 for five years after the
19 date of sale.

20 (d) Before the Beaumont Unified School District exercises the
21 authority granted pursuant to this section, the governing board of
22 the school district shall first submit to the State Allocation Board
23 documents certifying the following:

24 (1) The district has no major deferred maintenance
25 requirements not covered by existing capital outlay resources.

26 (2) The sale of real property pursuant to this section does not
27 violate any provisions of a local bond act.

28 (3) The real property is not suitable to meet any projected
29 school construction need for the next 10 years.

30 (e) Before the Beaumont Unified School District exercises the
31 authority granted pursuant to this section, the governing board of
32 the school district shall at a regularly scheduled meeting present
33 a plan for expending one-time resources pursuant to this section.
34 The plan shall identify the source and use of the funds and
35 describe the reasons why the expenditure will not result in
36 ongoing fiscal obligations for the district.

37 (f) This section shall remain in effect only until January 1,
38 2008, and as of that date is repealed, unless a later enacted
39 statute, that is enacted before January 1, 2008, deletes or extends
40 that date.

1 SEC. 3. The Legislature finds and declares that a special law
2 is necessary and that a general law can not be made applicable
3 within the meaning of Section 16 of Article IV of the California
4 Constitution because of the financial circumstances of the
5 Beaumont Unified School District.

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